



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-11-2013**  
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## **Appraisal Requirements for Higher-Priced Mortgage Loans and Resources Regarding Other CFPB Mortgage-Related Rulemakings**

**Summary:** On January 18, 2013, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau (CFPB) issued a final rule that establishes new appraisal requirements for higher-priced mortgage loans. Under the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, mortgage loans are higher priced if they are secured by a consumer's home and have interest rates above certain thresholds. In addition, a number of important changes to CFPB mortgage-related rules also are underway, and the FDIC is making available to the public several resources addressing these changes.

**Statement of Applicability to Institutions Under \$1 Billion in Total Assets:** This Financial Institution Letter applies to all FDIC-supervised institutions, including community banks.

**Distribution:**

FDIC-Supervised Banks (Commercial and Savings)

**Suggested Routing:**

Chief Executive Officer  
Chief Loan Officer  
Chief Information Systems Officer  
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**Related Topics:**

Residential Mortgage Loans

**Attachments:**

[Final Rule on Appraisals for Higher-Priced Mortgages](#)

Resource List for Tracking Changes in Mortgage-Related Rulemakings

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**Note:**

FDIC Financial Institution Letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2013/index.html](http://www.fdic.gov/news/news/financial/2013/index.html).

To receive FILs electronically, please visit <http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (877-275-3342 or 703-562-2200).

**Highlights:**

- For certain higher-priced mortgage loans, the final rule requires creditors to use a licensed or certified appraiser who prepares a written appraisal report based on a physical visit of the interior of the property, provide consumers with a free copy of the appraisal report, disclose to applicants information about the purpose of the appraisal, and obtain an additional appraisal at no cost to the consumer under certain circumstances.
- The final rule provides exemptions from the additional appraisal requirement for loans in rural areas and certain other types of loans.
- The final rule takes effect on January 18, 2014.
- In response to banker requests for assistance in monitoring developments in mortgage-related rulemakings, attached is a listing of CFPB mortgage-related rules, applicable to FDIC-supervised institutions, that are underway or have been recently issued and other FDIC resources bankers may wish to monitor.

## Resource List for Tracking Changes in Mortgage-Related Rulemakings

**FDIC Regulatory Calendar:** The FDIC Regulatory Calendar helps community banks remain current on changes in federal banking laws, regulations, and supervisory guidance, including the CFPB's changes to the mortgage-related rulemakings. It can be accessed at <http://www.fdic.gov/regulations/resources/cbi/calendar.html>.

**FDIC Banker Teleconference Series:** The FDIC periodically holds banker teleconferences about important rulemakings, guidance, and emerging issues. For example, in 2012, teleconferences addressed such topics as the proposed CFPB mortgage-related rules, fair lending, and third-party compliance risk management. The FDIC will continue to hold timely teleconferences to keep institutions informed about important banking regulatory and emerging issues. Information about future teleconferences will be communicated through Financial Institution Letters. To receive these communications electronically, you may subscribe at <http://www.fdic.gov/about/subscriptions/fil.html>.

Additionally, materials presented during the teleconferences will be posted to the FDIC's Web site at [http://www.fdic.gov/news/conferences/other\\_events/2012-sept-oct-bankercall.html](http://www.fdic.gov/news/conferences/other_events/2012-sept-oct-bankercall.html).

**CFPB Website:** The CFPB's Web site is a resource for tracking changes to mortgage-related rulemakings. It can be accessed at <http://www.consumerfinance.gov/regulations/>. The Web site shows that a number of other mortgage-related rulemakings applicable to FDIC-supervised institutions are underway or have been recently issued. As of this writing, these include the following final mortgage rules issued by the CFPB:

- Ability-to-Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation Z), effective January 10, 2014.  
<http://www.consumerfinance.gov/regulations/ability-to-repay-and-qualified-mortgage-standards-under-the-truth-in-lending-act-regulation-z/>
- Escrow Requirements under the Truth in Lending Act (Regulation Z), effective June 1, 2013.  
<http://www.consumerfinance.gov/regulations/escrow-requirements-under-the-truth-in-lending-act-regulation-z/>
- High-Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X), effective January 10, 2014.  
<http://www.consumerfinance.gov/regulations/high-cost-mortgage-and-homeownership-counseling-amendments-to-regulation-z-and-homeownership-counseling-amendments-to-regulation-x/>
- Real Estate Settlement Procedures Act (Regulation X) and Truth in Lending Act (Regulation Z) Mortgage Servicing Final Rules, effective January 10, 2014.  
<http://www.consumerfinance.gov/regulations/2013-real-estate-settlement-procedures-act-regulation-x-and-truth-in-lending-act-regulation-z-mortgage-servicing-final-rules/>

- Loan Originator Compensation (Regulation Z), effective June 1, 2013, for provisions concerning mandatory arbitration and single-premium credit insurance and January 10, 2014, for all other provisions.  
<http://www.consumerfinance.gov/regulations/loan-originator-compensation-requirements-under-the-truth-in-lending-act-regulation-z/>
- Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under the Equal Credit Opportunity Act (Regulation B), effective January 18, 2014.  
<http://www.consumerfinance.gov/regulations/disclosure-and-delivery-requirements-for-copies-of-appraisals-and-other-written-valuations-under-the-equal-credit-opportunity-act-regulation-b/>